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Discussion Series A

EXPERIMENT STATION FILE

Leaflet No. 4

What Kind of Foreign Trade Policies do American Farmers Want? In Peace Time? In War Time?

This introduction to viewpoints is one of a series of aids for discussion prepared for members of rural discussion groups through the cooperation of the Extension Service and the Agricultural Adjustment Administration of the United States Department of Agriculture. It is not intended to direct attention to any particular point of view or conclusion. Instead, it is intended for reading by members of discussion groups in advance of consideration of the topic so as to indicate some of the topic's discussion possibilities. No statement contained herein should be construed as an official expression of the Department of Agriculture. Similar aids, forming Discussion Series A, are being made available on other topics, covering a total of 14 topics. A second series, a group of publications forming Discussion Series B, is being prepared. These deal with the same topics. They are intended primarily for leaders or chairmen of discussion groups and for members interested in more extended treatment of the subject than is provided in Discussion Series A.

UNITED STATES DEPARTMENT OF AGRICULTURE

The Extension Service and the
Agricultural Adjustment Administration cooperating

December 1935

This pamphlet is the fourth in Discussion Series A, a series of brief introductions to widely held viewpoints on the 14 topics listed below. Discussion Series B, also available, covers the same topics at greater length. Discussion Series A is intended for reading by members of discussion groups in advance of group meetings. Discussion Series B is intended for use by chairmen of forums and discussion groups, speakers, and group members who wish to do further reading.

1. What is the Chief Cause of the Farm Depression?
2. Do Farmers Want the Federal Government to Help Them Deal with Farm Problems?
3. Should American Agriculture Seek Recovery of World Markets or Arrange to Live at Home?
4. What Kind of Foreign Trade Policies Do American Farmers Want? In Peace Time? In War Time?
5. What Kind of an Industrial Policy Is Best for Agriculture?
6. The Farmer and the Consumer of Farm Products—What, If Any, Are Their Responsibilities to One Another?
7. Do Farmers Want High Tariffs on Farm Products? On Industrial Products?
8. Should Farm Benefit Payments Be Abolished?
9. Farm Prices—How Are They Made?
10. What Kind of Land Prices Would Be Best for Agriculture? For the Nation as a Whole?
11. Will Crop Adjustment Be Necessary or Desirable in Years to Come?
12. What Possibilities and Limitations Do Farmers in this County Face in Seeking a Better Balance in Farm Production?
13. What Objectives Are Desirable for Farming as a Business? As a Way of Life?
14. What Should Farmers Seek to Accomplish Through Organization?

Two pamphlets intended primarily for the assistance of leaders of rural discussion groups and forms are now available:

1. Discussion: A Brief Guide to Methods.
2. How to Organize and Conduct County Forums.

What Kind of Foreign Trade Policies Do American Farmers Want? In Peace Time? In War Time?

BECAUSE the United States has been one of the great bread and meat baskets of the world our farmers have been directly affected by wars throughout the world. Today the issues of war and peace are again prominently before the American public. Many farmers are much concerned about them. And one of the matters of concern is the relation of foreign trade policy to peace and war. Much current interest is being expressed in practical measures which will enable the United States to remain neutral in time of war.

What Are Your Answers?

- 1. What Were the Most Important Effects of the World War on the Markets of Agriculture in this Community?**
- 2. What was the Effect of the Shift of the United States from a Debtor to a Creditor Nation?**
- 3. What Sort of a Neutrality Policy in Time of War do You Favor?**
- 4. Will a Policy of Live-at-Home, or Withdrawal from the Rest of the World, be the Most Satisfactory in Time of Peace?**
- 5. Will a Policy of Whole-Hearted International Cooperation, with Broad and Free Trade, be Most Satisfactory in Time of Peace?**
- 6. What Foreign Trade Policy do You Prefer in Time of War?**

Some Pros and Cons

I

“We should have no special legislation in the interest of neutrality in time of war. We should take the same course as we have in the past; namely, follow the principles of international law as they have been developed, and let our citizens be free to trade with whatever nations they can. If we set up embargoes on any of our products, then some of our producers will lose markets. This results in loss of employment and means less business for the United States as a whole.

“Farmers particularly should not be asked to refrain from selling their products anywhere in the world at any time they have an opportunity. If any nations need our food or our raw materials, we

should endeavor to make it possible for them to buy them. If this means credits or loans, they should be granted, in order to encourage export trade in our farm products.

"Neutrality policies are likely to lead to the kind of entanglements which we as a Nation have historically been committed to avoid. We should keep aloof from the conflicts of warring nations, but also be free to trade anywhere we can."

II

"Our present neutrality legislation, in effect for 6 months from August 31, 1935, is satisfactory. It specifies mandatory embargoes of arms, ammunition, and the implements of war imposed by the President against all warring nations. It gives the President power to warn our citizens against using the ships of nations at war except at their own risk. It does not specifically prohibit credits or loans, and does not explicitly provide for embargoes against such products as food, cotton, copper, oil.

"The present program should be continued. It makes known to the world that we will not sell munitions to any nation at war. There will be no exceptions. This rigid policy will be the best to keep us out of conflicts the world over. If we establish a policy giving discretionary power, that is more likely to lead us into agreements and entanglements that will make for war."

III

"The neutrality policy we need is one that will give the President discretionary power. You can't work out in advance what the policy should be. Conditions change and in time of war they change overnight. A rigid program is not so likely to keep us out of war as a flexible one.

"A flexible program would enable the Government to lend some assistance to a greatly oppressed nation if it were being openly attacked by an aggressor. It would enable our own Nation to assist other nations which might be cooperating to bring pressure against a nation which had been judged by an independent body to be an aggressor. This flexible policy would be most likely to make for justice in our relations with the world, and would make possible a much more practical program of cooperation with the nations working to maintain peace. It is the one we should adopt at the expiration of the temporary neutrality resolution on February 29, 1936."

IV

“To be realistic and complete, a neutrality program must provide for power to withhold credits and loans, food, cotton, and other raw materials. We get into wars by heavy trade with one or another of the warring nations. And trade in munitions is not the only thing that is important.

“Whether our neutrality program be a rigid one worked out in advance, or one that is flexible and grants discretionary power, loans and credits and all raw materials should be brought within its scope. To farmers this may seem like giving up markets at a time when they are badly needed. But we must take the long view—that wars are of no ultimate benefit to the trade of the world, and that over the years trade will be better if there is peace. Farmers will have to choose between temporary sales and peace. Business will have to choose between quick profits in a time of war, against the more stable conditions of peace. For war destroys men and materials. By temporarily refraining from some trade we will have better trade in the long run.”

V

“The United States cannot make an effective neutrality program unless it takes into account the collective judgment of the states that are members of the League of Nations in respect to who is the aggressor when war breaks out. The time is past when members of the international community can act without regard for the actions of others. This applies not only to a nation that makes up its mind to go to war, but also to the nations not engaged in the war that are eager for the reestablishment of world peace, and for the localizing of the conflict until peace can be secured. Mutual consultation, whether within the framework of the League of Nations or outside it, is necessary if the world's desire for peace is to be expressed through policies that do not conflict with or undermine each other.”

VI

“The right policy for us as a nation in peace time is to take care of ourselves so far as possible, and thus withdraw as much as we can from the trade of the world. We should use every means to encourage home production of things we have bought abroad. Foreign trade has a way of becoming a source of international friction and difficulty. It usually means loaning abroad. But when a foreign debtor fails to pay his debts, there is trouble.

"If we have little foreign trade, we can more easily maintain our neutrality if other nations should go to war. Furthermore, this is the policy that is being forced upon us by the embargoes, quotas, tariff walls, and other trade restrictions throughout the world."

VII

"In peace time there will be prosperity only when the nations trade as broadly and as freely as possible with one another. The world is now having a heavy dose of nationalism. Everywhere people are trying to draw into their own shells. But it is a mistaken and short-sighted policy and must be changed if the peace of the world is to be kept.

"Broad and free trade would permit division of labor among the nations. That is, it would encourage production by those best fitted to do it at low cost. This would result in high consumption. It would make for a rich and diversified standard of living among producers the world over. The more we buy from other nations the more money they will have with which to buy from us. A program of broad international cooperation can only be bought at a heavy price, but it is better to pay the price and be repaid with stable economic conditions."

VIII

"We can't choose a foreign trade policy for peace time, and we wouldn't if we could; so the only thing to do is to let things drift and take the consequences. We can't choose a foreign trade policy because we are too large a nation. It is hard to find out what farmers and other groups really want. There are so many sectional influences. Everybody wants to export but doesn't want corresponding imports.

"People generally think exports are good and imports are bad. As long as they are in that mood, there is nothing much that can be done, except that we readjust ourselves to a much smaller foreign trade than we had during the post-war period."

More About Trade Policies in War Times and Peace Times

WAR TOMORROW—WILL WE KEEP OUT? Edited by Ryllis Alexander Goslin. No. 1 of the Hendline Books. New York. Foreign Policy Association. 1935. Paper, 25 cents; boards, 35 cents.

NEUTRALITY KIT. Washington, National League of Women Voters. A collection of materials. 50 cents.

- AMERICAN NEUTRALITY AND COLLECTIVE SECURITY. Raymond L. Buell. Geneva, Switzerland. Geneva Research Center. (May be secured from Foreign Policy Association, 8 West 40th St., New York.) 35 cents.
- OUR FOREIGN POLICY WITH RESPECT TO NEUTRALITY. By Cordell Hull, Secretary of State. An address delivered November 6, 1935, over the Columbia Broadcasting System. Washington, Department of State. Free.
- PITFALLS IN THE PATH OF NEUTRALITY. By Charles Warren. New York. New York Times (Magazine Section) October 20, 1935. 10 cents.
- IT COSTS MONEY TO STAY OUT OF WAR. Des Moines, Iowa. Wallace's Farmer and Iowa Homestead. October 12, 1935. 5 cents.
- THE INTEREST OF AGRICULTURE IN RECIPROCAL TRADE AGREEMENTS. By Mordecai Ezekiel. Washington, Agricultural Adjustment Administration, 1935. Free.
- THE UNITED STATES AND THE WAR DEBTS. By Beatrice P. Lamb. Washington, National League of Women Voters, 1933. 15 cents.
- AMERICA MUST CHOOSE. By Henry A. Wallace. New York. Foreign Policy Association, 1934. Paper, 25 cents; cloth, 50 cents.
- AGRICULTURE'S INTEREST IN AMERICA'S WORLD TRADE. Washington. Agricultural Adjustment Administration, 1935. Free.
- AMERICA MUST CHOOSE ITS COURSE IN FOREIGN TRADE. Washington. Agricultural Adjustment Administration, 1935. Free.
- VANISHING FARM MARKETS AND OUR WORLD TRADE. By Theodore W. Schultz. New York. World Peace Foundation, 1935. Paper, 25 cents; cloth, 50 cents.
- FOREIGN CROPS AND MARKETS. Published weekly by the Bureau of Agricultural Economics, Department of Agriculture, Washington. Free.
- AMERICA SELF CONTAINED. By Samuel Crowther. New York, Doubleday, Doran and Co., 1933. \$2.00.
- DEPENDENT AMERICA. By William C. Redfield. Boston, Houghton, Mifflin Co., 1926. \$2.50.
- FRIENDS OR ENEMIES. By Julius W. Pratt. Chicago, University of Chicago Press, 1935. 25 cents.

1871

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Hon. Secy of the Navy
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